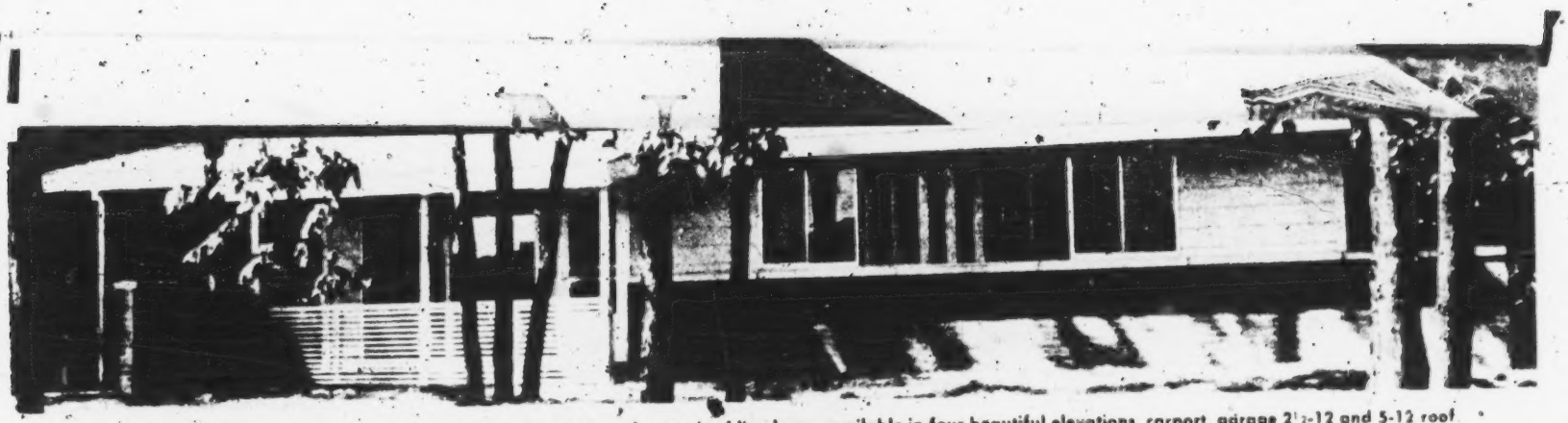
Petition for Certiorari. The court is urged to consider the statements, tables and predictions made in this article on the issue of public interest and the importance of the decision under review on this rapidly growing industry.

Respectfully submitted.

PAUL VAN OSDOL, JR.,
1212 Fairfax Building,
Kansas City 5, Missouri,
Counsel for Petitioner.

CERTIFICATE.

The undersigned counsel for petitioner hereby certifies that the foregoing Supplement to Petition for Rehearing and Reconsideration of Order Denying Petition for Certiorari is presented in good faith and not for delay, and that this supplement is restricted to the grounds set forth in said Petition for Rehearing.



RICHMOND CHAMP—A four bedroom 28' 18" x 40' 8", 1150 sq. ft. standard line home available in four beautiful elevations, carport, garage 2½-12 and 5-12 roof

Home prefabrication in our country probably really began that fateful day when our revered forefather, Mr. Pioneer, first realized that his good neighbor did a better job of hewing out logs for his cabin than he himself could do.

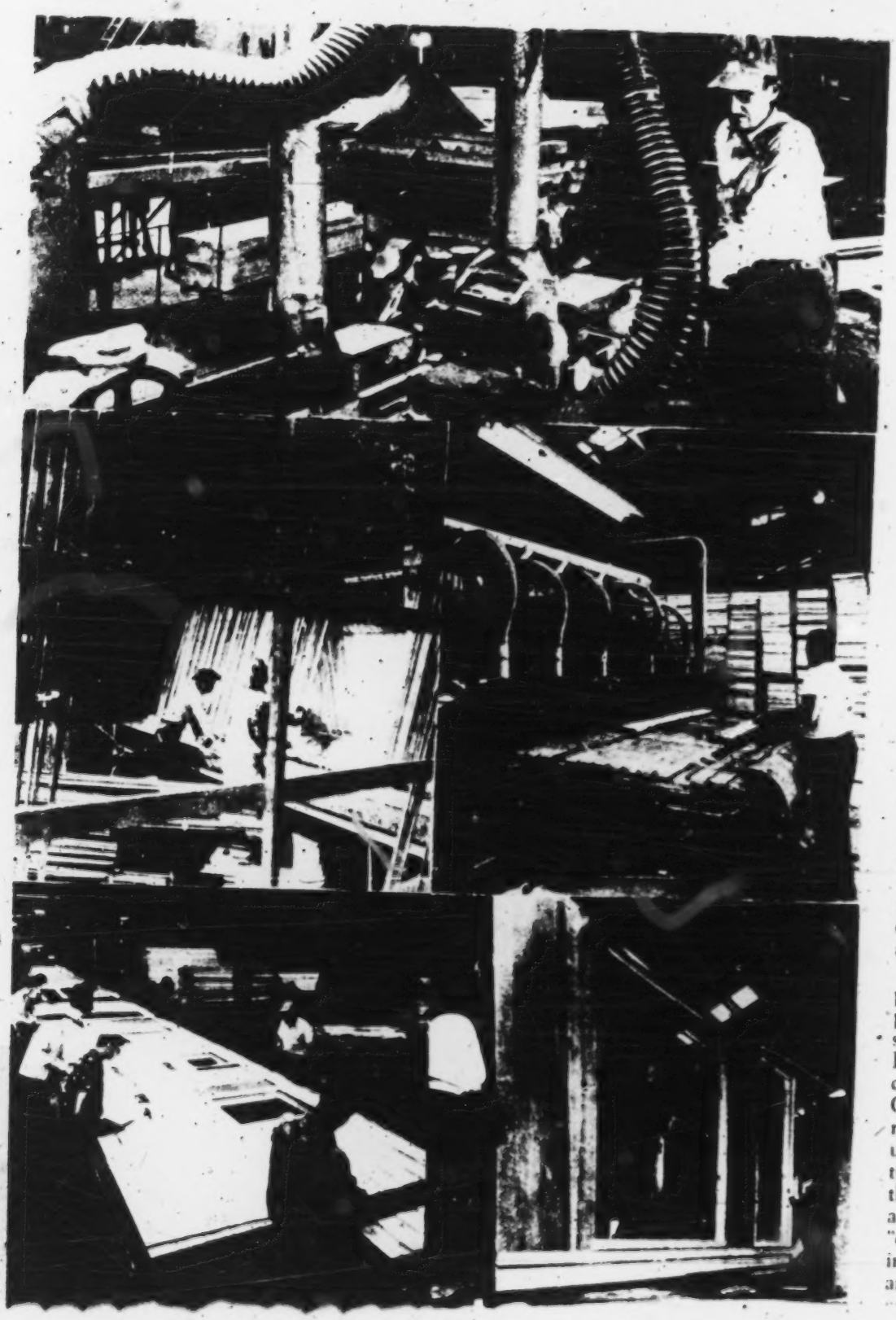
As our era of specialization progresses, the single home builder, like Mr. Pioneer, constantly adds to his list material that he can buy cheaper and better than he can make himself. Technological advances have given the home contractor many such items. Among them are finished lumber, pre finished doors; windows, plumbing, heating, wiring, roofing, all kinds of hardware and many other new and wonderful innovations.

During World War II the term prefabrication became a term of common parlance. It was not an entirely pleasant word, as the war material shortages, hurry up deadlines and lack of skill or sufficient manpower caused the completion of a number of inferior and poor quality projects.

It is not surprising that many people in contact with the erection and maintenance of these second rate structures were unfavorably prejudiced. Many lenders, municipal and government inspectors, and occupants became the core of much resistance to further prefabrication attempts, and out of all this there arose a definite public resistance to prefabrication, even today certain persons carry this feeling of dislike for prefabrication.

The Home Manufacturers Association, an organization made up of the leading manufacturers of home packages, have worked long and hard in dispelling many of these war gained prejudices. The HMA has been largely instrumental in correcting many of the mistaken ideas about today's prefab houses, and more and more top notch single family contractors are finding the advantages and merits of prefabrication.

Since the beginning of prefabrication, speed has been one of the major selling points. Under the Wherry Act, a pro-

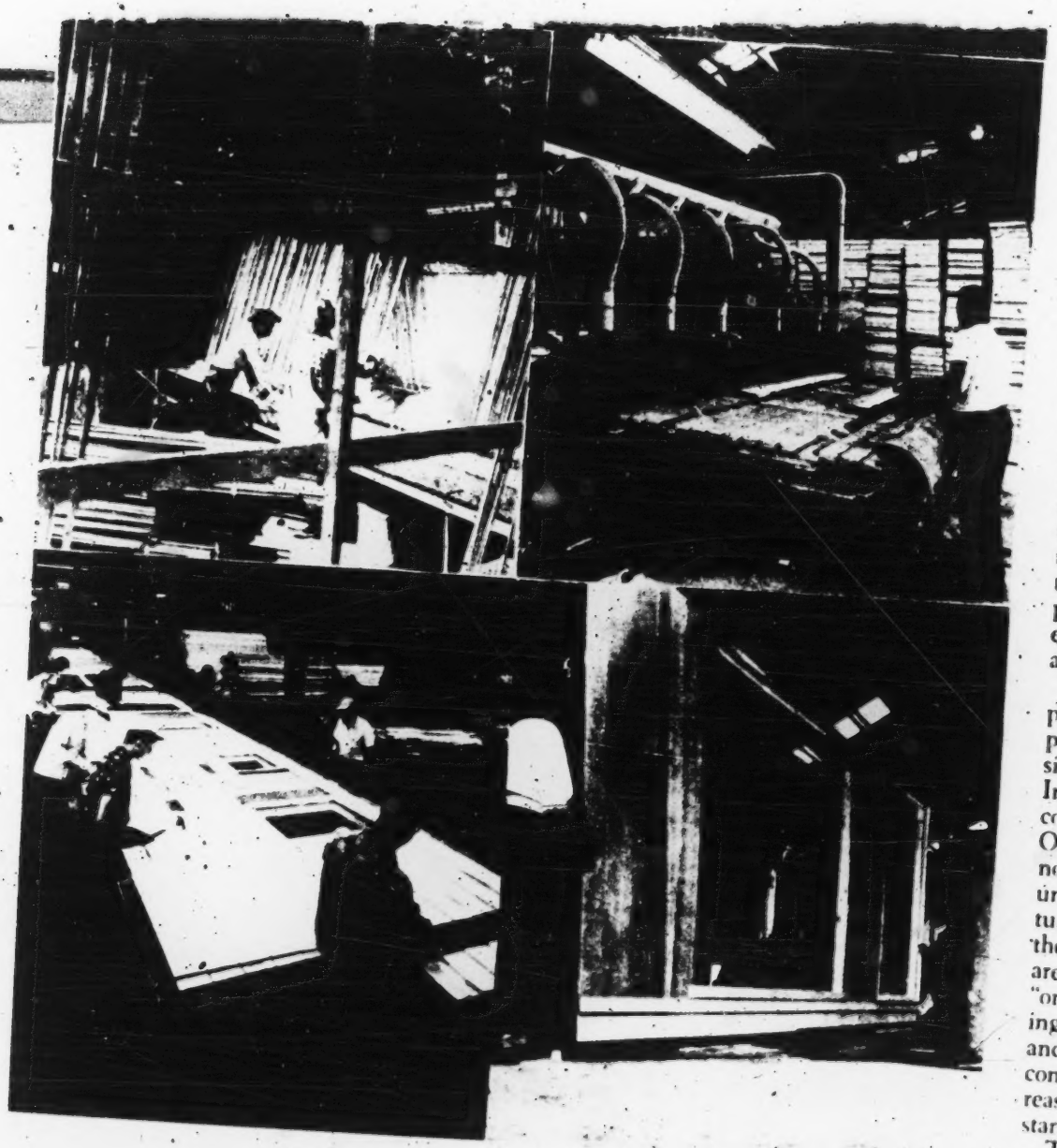


ect of 1,000 houses was built at Fort Bragg, N. C. In fact, over 20% of the defense housing was supplied by prefabbers and this figure does not include the many large conventional builders who use basic prefabrication methods in project building.

Today, however, the emphasis is away from speed and directed toward better design, better construction and better materials, providing more and more extras to the builder an' buyer and lowering the costs without sacrificing quantity of living space. One leading contractor who formerly built conventionally but who has been using a prefabber package for several years was asked why he no longer built conventionally. He replied, "Why, I'd have to go back to work." Seemingly one might accuse him of a jest, but the truth is that the prefab manufacturer has become the biggest single sub-contractor of these builders.

To see the efficient factory production of today's modern home manufacturing plant is certainly a revealing experience. One need not examine long statistical comparisons to realize why their costs are cheaper than field production. Specialization is the key and with the precision jigs and other highly accurate machinery, the manufacturer can hire labor cheaper, and in most instances, the unionized labor costs will run considerably under 10% of the retail sales price of the package. Added to this is the mass purchasing power which provides better acquisition costs and the elimination of costly lumber waste by advance planning.

From the prefab manufacturers viewpoint, all these advantages still do not provide them a dominant position in the single family home building industry. In 1958, the manufactured house accounted for only about 11% of the total. Of the nearly 980,000 "single family, non farm starts" only about 110,000 units were built by pre-fab manufacturers. This doesn't incorporate any of the figures of those large builders who are doing lesser degrees of prefabrication "on site" or in their own assembly buildings as no figures are available on these and the degree of prefabrication varies [illegible]



Manufacturing methods speed package house

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The major reason is the complexity and variety of local building codes which must be complied with before the house package is usable in any given

community. Some of these codes follow modern lines and are verbatim from the research evolved codes recommended by the builders and real estate associations. Some codes are more like Topsy, they just "growed," and in some instances the codes are specifically designed to shelter the local lumber yards, contractor, and masonry man, and contain a real premeditated intent to bar outsiders.

Probably the second biggest, but fastest diminishing, obstacle has been the financing problem. Lenders such as banks, insurance companies, savings and loan institutions and others are conservative by their very nature. Installment financing is a necessity to the home building industry as very few cash buyers exist. It has taken time to overcome the wartime created stigma against prefabrication. During the past few years only a few of the major lenders have not reversed previous policies and, in fact, many important lenders in the mortgage market have come to realize that there are inherent factors which justify a preferential treatment of manufactured home mortgages.

A third problem and obstacle occurs where the home manufacturer furnishes wiring, electrical fixtures, plumbing, hardware fixtures and heating units along with his package. Again the building codes enter the picture and also the separate plumbing, electrical and heating codes cause further problems to prefab standardization. Local electricians, plumbers and heating men use their influence with municipal authorities to prevent inclusion of these items in the house package. In some instances the local unions or associations would refuse to make final hook up and the codes prevented anyone but locally licensed persons from making this connection.

The home manufacturing industry has attacked the problem of growth in various other ways and expansion of these ideas and innovations moves steadily forward to capture new markets for this young industry. More and more we find the home manufacturer assisting the contractor in buying and developing land. The largest of the home manufacturers recently issued a $14 million issue of debenture bonds to implement their already active program.

TOTAL BUILDING STARTS EACH YEAR COMPARED TO MANUFACTURED HOME STARTS

Year	Manufactured Homes Shipped	Single Family U. S. Starts	Manufactured Home Percentage
1946	37,200	590,000	6.31%
1947	37,400	742,000	5.04%
1948	30,000	766,000	3.91%
1949	35,000	794,300	4.41%
1950	55,000	1,154,100	4.78%
1951	50,000	900,100	5.56%
1952	57,000	952,500	5.98%
1953	55,000	937,800	5.89%
1954	77,000	1,000,000	7.70%
1955	93,000	1,189,000	7.88%
1956	94,790	990,000	10.00%
1957	93,546	872,700	11.00%
1958	110,080	977,300	11.26%
*1959	135,000	1,100,000	12.00%

* Projected by the Home Manufacturer's Association, the national association represegting the industry. Note that figures are only for single family starts.

The area involved. Also, they often work closely with the builders in overall planning, forecasting and some even assist their builders in getting favorable sub contractor bids. Even others have entered into the business management phase of their builder's operation and may supervise his entire accounting function if this assistance is needed. Other manufacturers have their own land planning and building operations carried on through subsidiary corporation operations and a project manager will supervise the building only.

Design wise, the home manufacturers are able to employ the nation's leading architects and actually give the builder more variety of design than he can hope to furnish by himself. The outstanding talent of the country in color design and decorative methods are employed and most home manufacturers

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In recent years a majority of the manufacturers have formed acceptance corporations similar to the one this writer heads. This type auxiliary concern works with the builders in the field in processing the myriad of forms through FHA or VA, in financing model homes, in land planning, construction financing and placement of the mortgages the buyers need, to be able to purchase these finished homes.

Various of the home manufacturers have marketing departments that assist the contractors in selecting their right-priced house and best designed home for the area involved. Also, they often work closely with the builders in overall planning, forecasting and some even assist their builders in getting favorable sub-contractor bids. Even others have entered into the business management phase of their builder's operation and may supervise his entire accounting function if this assistance is needed. Other manufacturers have their own land planning and building operations carried on through subsidiary corporation operations and a project manager will supervise the building only.

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Coming again to the quality picture, nearly all home manufacturers use construction grade lumber (formerly graded as No. 1) exclusively. Vast and extensive engineering research has proved the worth of roof trusses and prefab wall panels and many other technological improvements are used by various manufacturers. Some of these are complete cornice assemblies, pre-assembled

Continued on page 4

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WILLIAM C. SMITH

As President of Housing Credit Corporation, a subsidiary of Richmond Homes, Inc., Mr. Smith writes his views of the public relations job the entire manufactured homes industry has set out to accomplish in their drive to be the largest segment of builders in the new home construction field

A graduate of Coe College, William C. Smith received his J.D. degree from the University of Iowa Law College, and was a practicing attorney for 6 years. Following this, he became Manager of the mortgage loan department and Assyst. Trust Officer of an Iowa bank. In 1958, he became President of Housing Credit Corporation.

Tomorrow's Housing Giant

(Continued from page 3)

gable ends, completed and [illegible]her stripped doors, pre-hung interior doors, stressed skin plywood-wall panels, pre-installed windows, pre-assembled overhead sections, floor panels, ceiling panels, factory installed insulation, factory insulation, factory primed weatherproofed primed weatherproofed lumber and interior pre-finishing. Comparing a manufactured house stud for stud and piece by piece the manufactured construction will gain the better of the comparison in nearly all instances both as to quality of material and precision of assembly.

This writer would be remiss if he did not take this opportunity to espouse his own cause just briefly. Without too much fear of contradiction it can be said that probably the thing that is of top level importance to any builder is the quality and quantity of his financing. Without it he can't move, with it he still needs other favorable factors. Earlier in the article it was stated that lenders were moving toward manufactured products and here are some of the reasons: First, the time of erection allows the lender to be more assured of delivery of loans and less opportunity for this volatile market to fluctuate. Second, is the quality of material and of design that the lenders have seen in the manufactured product. Third, is the financial backing that the manufacturer is able to give to the transaction. If a builder gets into trouble the manufacturer can step in and see that the homes are completed properly. There are a number of other reasons such as simplicity of erection, use of name brands in house materials and the necessity of stress on good and sound engineering principles.

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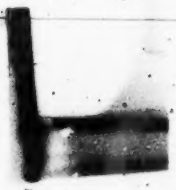

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With the fast moving developments in the financing end of the home construction business and its technological advances, it has become necessary for any larger builder to employ others to keep him posted of these changes. For this reason alone the home manufacturing industry should look forward to an increasing share of the home building industry increase. Some estimate that by 1970 the nation should have over 1.5 million new home, non-farm, single family starts per year. This should place the home manufacturers in a position to materially increase their output and capture an even larger percentage of the market for new homes.